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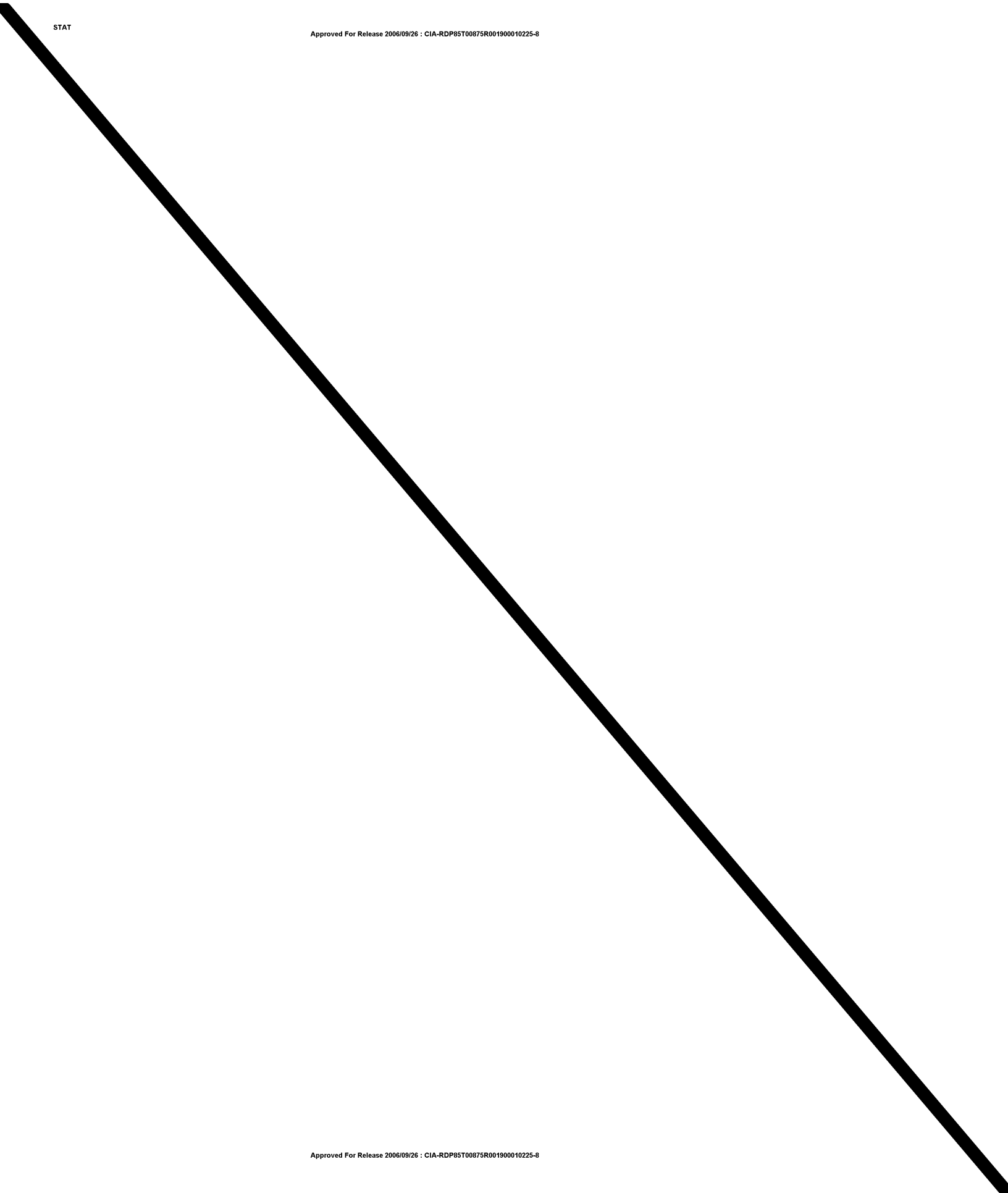

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8 March 1974

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MEMORANDUM FOR: Mr. James Walsh
Office of the Special Representative
for Trade Negotiations

SUBJECT : Methodologies for Exchange Rate Conversion in OECD And UN Trade Data Sets

1. This memorandum responds to your request of 22 February for information on OECD and UN methods of converting trade data in national currency units into US dollars.

2. The machine-readable UN and OECD quarterly SITC trade data series are the same and are derived using the same method of exchange rate conversion. These series are:

United Nations

Statistical Papers, Series D, Commodity Trade Statistics

OECD

Statistics of Foreign Trade, Series A, Trade By Commodities; Analytical Abstracts

Statistics of Foreign Trade, Series C, Trade By Commodities: Market Summaries

For both UN and OECD series trade figures in national currency units are converted into current United States dollars using exchange rates furnished by the International Monetary Fund. The IMF rates are based on par or mid-point rates. The national trade data, from which both sets are constructed, are supplied quarterly to the United Nations. Quarterly data is cumulated such that the annual figures are equal to the sum of the quarters.

3. The OECD and UN also publish non-identical trade data in other forms that should not be confused with the above

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data bats. These are separate series referring to total trade which are collected monthly by each organization in national currencies and are converted to US dollars using different exchange rates. The OECD figures, identically published on a monthly basis in Main Economic Indicators and in Statistics of Foreign Trade, Series A, Overall Trade by Countries, are converted to US dollars using IMF parity rates on a monthly basis. Recently, because of instability in international monetary markets, national authorities have supplied OECD with variable exchange conversion rates. Quarterly data are calculated as averages of monthly figures, and the annual figures, reported separately to the OECD, do not necessarily equal the sum of the quarters or months.

4. A series of UK figures, published on a monthly basis in the Monthly Bulletin of Statistics, are converted to US dollars using monthly mid-point rates which are not identical to the rates used in the OECD monthly series. If currency fluctuations complicate conversion of nationally-denominated data into US dollars, the reporting country supplies trade data in US dollars as well as in national currency units. Annual totals may not equal the sum of the quarterly or monthly data because exchange conversion factors different from those used monthly or quarterly are employed in determining the annual totals.

5. [redacted] will be pleased to answer further questions on this subject.

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[redacted]
Chief
Trade and Monetary Analysis Branch

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